

GERMAN TRADE CUTS INTO U. S. MARKETS

American Valuation Plan for Levying Tariff Put Forward to Neutralize the Cheap Mark.

BY G. GOULD LINCOLN.
GERMANY and the Germans, it reports that are brought here by American business men dealing with government bureaus, and sometimes by agents of the government itself, can be credited, are "sawing wood." They are working overtime, producing much and buying little. Burdened with a staggering war debt and reparations running into the billions that must be paid, nevertheless they are bending every effort, with no little success, to re-establish their markets throughout the world and to win new markets.

The German mark is at a low ebb when it comes to foreign exchange. But as a matter of fact this is aiding the Germans in their campaign for capturing markets in the United States and other countries. Also, it explains why the Germans are buying as little as possible and selling all they can of their own products.

Not "Dumping" Goods.
Instead of attempting to "dump" their goods on the American market, for instance, at prices below those charged for such goods in Germany or even in nearby countries, the Germans are putting higher prices on the goods they ship here. But they can do this and still sell them at lower prices than the American producer can sell, for the simple reason that the cost of production in Germany is so much lower, aided and abetted by the cheap mark and the dear dollar.

The Germans, of course, must purchase some raw materials from the United States. But take the case of raw cotton. Cotton today is away down to 13 cents a pound, as compared with the high mark of 43 cents not so long ago. Then there is copper. But the bottom has fallen out of the copper market, and the Germans are able to buy this commodity at comparatively low rates. So they are lucky when it comes to the purchase of these raw materials.

As illustrative of the way in which Germany is declining to go into American and other foreign markets and are relying upon themselves, a little story about jam—ordinary fruit jam—is told here. A call for jam at a store in Berlin developed the fact that no jam was to be had. Moreover, the would-be purchaser was informed that if he wanted jam he would have to wait until the next fruit crop had come along and been turned into jam. In other words, the Germans are not importing jam from the United States or elsewhere.

German Cheap Products.
An American recently returned from Germany brought with him two dolls for his little girl. One of these dolls was of the ordinary variety that used to retail here for about a dollar, with eyes that opened and shut and hair more or less real—a doll which would sell here now for about \$5. This doll had cost in Germany, however, exactly 39 cents in American money. The other doll was a mechanical toy, somewhat larger, but capable of being wound up and, after winding, of moving its arms and legs and turning its head. Such a toy, it is said, would cost in the neighborhood of \$50 if it were purchased at one of the large stores in this country, provided it could be purchased at all. In Germany the price paid for the doll was \$2.25.

This gives an idea, not only of the lower cost of production of manufactured articles in Germany, but also of the tremendous difference in the rate of exchange of American money and that of Germany. Various plans for stabilizing the exchange have been advanced, but so far nothing has been done, and it does not appear likely that it will be possible to bring about such stabilization in view of the disturbed after-the-war conditions throughout the world. But as Germany continues to develop her markets and to sell goods, necessarily she will become more prosperous and the mark will grow in value, whether the Germans desire it or not.

Cutting Into U. S. Markets.
How much German goods are today cutting into American markets, both in this country and abroad, is problematical. It is frankly admitted by the United States tariff commission that its information along these lines is fragmentary in the extreme, the bureau is not given sufficient funds by Congress to make a scientific study of such conditions.

But word comes from manufacturers in this country, in various lines, that German goods are cutting in. For instance, it is said that bronze powders, used in lettering on candy wrappers and cigar labels, etc., are coming here from Germany at prices that make it impossible for American producers to compete with the German article. Testimony before the House Ways and Means committee, when the tariff bill was under consideration, showed that the Germans had the better of the argument by about 20 cents a pound, when all the costs of production and transportation had been added up.

Of course, the competition in American markets is not coming from Germany alone. For instance, word comes from New England that large quantities of foreign-made stockings are reaching the American market at prices lower than the American producers can make similar stockings. And report has it that Japan has been successful in getting into this country a great quantity of grass rugs and mats, that cut under American manufacturers in deadly manner.

Congress Has Not Abandoned Hope Of Being Able to Cut U. S. Budget

BY N. O. MESSENGER.

CONGRESS experienced a shock when Treasury Department officials, in discussing the forthcoming tax bill, talked of the possible necessity of four billions and six hundred millions in expenditures and refused utterly to contemplate such a contingency. Leader Mondell could not visualize such a sum at all, and Chairman Fordney of the ways and means committee was equally positive that no such thing must be contemplated. Senate leaders were disturbed and the rank and file in Senate and House were greatly exercised. All the republican leaders shared the belief that further economies in expenditures are possible to avoid taxes in amount beyond the original estimate and ought to bring that estimate down. The leaders confidently predict it will be reduced.

The cold fact is, the republicans of the Senate and House are viewing with increasing concern each week the political situation which may be created for the party by the tax legislation. They feel certain that the party in power will come in for a degree of public criticism whatever bill is brought in and will hold responsible, while the democrats, having no responsibility, have everything to gain and nothing to lose by the public's state of mind over the legislation.

This is a cold and cruel world, as the republicans view it, when they consider taxes and politics for 1922.

But all is not lost, the politicians say, if the framers of the bill in its final form can succeed in avoiding to at least a reasonable degree some of the forms of taxation which are most obnoxious by reason of having more direct individual application. It is argued that it is not so much the sum total of the taxes the people mind, but those taxes which they can put their finger on as bearing directly upon them. It is probably true that the average man, in thinking of a total tax bill of three and a half or four billion dollars, cannot grasp the idea of five hundred millions more or less, but if the law sticks a specific tax on him in the sum of a few dollars, which he can count readily, his appreciation is calculated to be more acute.

The democrats have already given indication of their intention to pillory the majority party upon every occasion presented in the making of the tax bill. It is so easy to declare that the wicked republicans are working for the benefit of the classes as against the masses in the preparation of the bill, and the hard for the harassed, though well intentioned, majority of convince the populace to the contrary if some feature of the bill hits the individual and he can see the missile.

The republicans are said to be pretty nearly approaching the stage where they feel they can only gird themselves for the fray, walk into it and take whatever comes. They are

bound to get some hard knocks and may be glad to get out alive.

Careful surveys of the political frame of mind of the democratic party in Congress fail to develop that it indicates anything at present more definite than the hope of the republicans getting tangled up in the slack of popular discontent and the democratic party benefiting thereby. "Give the republicans more rope" seems to express the prevailing democratic idea at this time, with the hopeful belief that sooner or later the opposition will trip and stumble.

There is something majestic in the way the republicans go lumbering along in the midst of the difficulties which surround them, cognizant, but unafraid. It reminds one of a big elephant crashing his way along a path surrounded in pitfalls, snares and ambushes, but keeping a-going, confident it will by main force break through to safety somehow.

The republicans appreciate the fluid state of party opinion in the country and that they have no infallible means of impounding it to their advantage through summons to party loyalty, but must do so through actual performance in the meeting of great difficulties which will win the approbation of the voters who would as soon vote one ticket as another if they "got their dander up."

Republicans realize that they must submit their political fortunes to the operation of economic laws, as against theories and party principles, at a time when economic conditions are changing the world over and when these new conditions, over which they have no possible control, may put at naught the most cherished theories.

Politicians in Congress are wondering what has become of that talk, heard awhile back, of reorganizing the democratic party and building up some new alignments for the next congressional and the subsequent presidential campaign. It has died out recently, no ambitious leaders presenting themselves to survey and take out the advanced ground. It has been suggested that this claim is part of the democratic policy in Congress to let the republicans have full leeway and headway, in the hope they will create conditions of their own undoing.

As prospective beneficiaries of hoped-for republican misfortunes the game seems to be to let the situation ride along for awhile. There is said to be no doubt that there are a number of watchful gentlemen in the office who are keeping a keen eye upon developments and will be found in the forefront with suggestions for reorganization and leadership when the democratic outlook approaches par.

Republican politicians, for their part, say that the democratic thus far have been abashed and discouraged by the popularity of President Harding and his administration and that the present does not seem a good time to rile public

opinion by advancing democratic ideas too strongly. Many democrats admit that President Harding has made a splendid running start toward popularizing his administration.

Everything is apparently "set" for the convening of the disarmament conference in this capital in November, the anniversary of armistice day, the probable date, and talk in diplomatic and official circles here centers about the approaching event.

It is accepted as a foregone conclusion in the majority sentiment here expressed that the conference will prove to be one of the important diplomatic gatherings in the world's history and that it will abound in possibilities of action of surpassing gravity and importance to the world's affairs. That its deliberations may in their effect, though not in terms, go beyond even far east and Pacific problems is considered not at all improbable.

In this connection it is held that acquiescence by other nations in this government's insistence upon no preliminary conferences leaves the way open for wider scope of subjects to be considered. It is not conceded that Japan has yet established her contention that certain specified subjects shall be eliminated from the purview of the conference. The other parties to the meeting may not find themselves willing to agree to this limitation when they meet. It would not be surprising, it is said, if, instead of curtailing, the conference should broaden its discussion of world affairs, or pave the way for future consideration.

It has been suggested that the trail of international finance may be expected to be disclosed at this conference, as it was asserted to have been at Paris, and that money will whisper if it does not talk. This all sounds very mysterious to the layman, but the warning has been given to look out for it.

The point has been made that all of the countries except England will send representatives of ministries which have changed since the Paris meeting. Lloyd George appears to be slated to represent Great Britain unless the faction opposed to him precipitates a general election, and the diplomatists seem inclined to look upon him as the master mind in some plan to give his country preponderance of influence if possible.

Experienced diplomatists say that in the conference there may be expected changes in alignments among the nations as various aspects of the big problems are presented, and that no hard and fast combination forming a balance of power is likely to last throughout the meeting. Japan, it is said, however, does not feel altogether reassured upon this point and indicates entertainment of apprehension that in the changing alignments she may somehow find herself in the minority on questions in which she considers herself vitally interested and more so than other nations.

(Copyright, 1921, by The Washington Star.)

"BIG BUSINESS" NOW TO GET FAIRER DEAL

Lessons Taught by the World War Have Been Taken to Heart by the Nation's Lawmakers.

BY WILL P. KENNEDY.

IN the new era of American industrial and commercial expansion, the policy of the United States government and of Congress is likely to be radically changed. "Concentration and control" is the new slogan for business legislation.

Contrary to the legislative proneness of recent years to break up big business into competitive units, the leaders in Congress today see the need for:

(1). Encouragement of cumulative capital, under hard-headed business management, toward monopolistic development of essential industries and new public service agencies.

(2). More careful control legislation, which, instead of hobbling or hamstringing big business with interference by incompetent federal agents, will place the safeguarding of the people's interests in the hands of experts in those special commodities or utilities, thus allowing private capital en masse to rebuild industry and commerce so that it can carry on comparably with the growing size of the nation.

Needs Shown by War.
The war showed the need for unit operation of the railroads to carry the load for industry and commerce. The war showed that while the federal government worked for years developing the railroads, the water carriers, it is now essential that they should be operated co-operatively. The war showed that there must be a domestic dye industry developed and the tariff bill now in the works has recognized the need for its development as a monopoly. The war showed the need for monopolistic development of radio service through the very nature of wireless communication. The war showed the need for port development with mechanical equipment, and a report of Army and Navy engineers to Congress emphatically states that ports, and in fact the entire waterfront, should be publicly owned.

The war showed also the dangers of government ownership and operation. House leaders today emphasize that these industries and public utilities cannot be developed in a big way by the government, because they explain, "government operation inevitably means political operation, and that means inevitable inefficiency, and that in turn means that we reverse the law of all progress—namely, increased efficiency through decreased cost—and substitute increased cost and decreased efficiency."

Control That Doesn't Hamper.
The only alternative is big development, monopolistic development, by massed private capital given an opportunity to reap profits earned not so much by heavy charges on the people as by carefully achieved economies in operation; but with carefully planned government control that will not hamper development. That is the sort of legislation Congress is looking forward to in conformity with President Harding's pronouncement, "Less government in business and more business in government." Congress proposes to pay more attention to devising the best methods of unhindered control than toward laws or preventions combinations, consolidations, trusts and monopolies.

The railroads of the country—which more than any other agency build up this nation—were developed as monopolies and through extensive subsidy in the form of land grants. Leaders in Congress discussing the railroads as an example say: "Under the law we have developed the greatest transportation system on earth and until the government interfered with its political operation it was both the cheapest and most efficient service."

Industries as Examples.
They also point to the telephone system, developed during the legislative life of men still in Congress, which they eulogize as one of the most beneficial public utilities ever brought within the use of the entire population, now an indispensable agency of daily life, and which has

Representatives James R. Mann of Illinois, former republican leader, states the need for a new national policy very concisely: "While it is probable that 'big business' will require some regulation by government, the useless and inquisitorial supervision of business should cease. Men should be urged to develop and extend business instead of being threatened and interfered with by government clerks and inspectors. Give the people a chance to work."

Representative Simeon D. Fess of Ohio, chairman of the republican congressional committee in charge of the two last campaigns which brought the republicans into dominance, and who all his life has been a student of economics and government, says: "Less government in business and more business in government is a succinct statement of the need of all rational progress especially in a country like ours. Less government in business means a freer operation of economic laws. Modern progress demands greater concentration of effort both in greater efficiency and less loss of motion of enterprise. Overhead must not overcome the profit of production. Top-heavy organization means industrial disaster. The law of industrial success demands greater freedom in the concentration of agencies of production which if unhindered might defeat competition and thereby lead to dangerous trusts."

"Concentration and Control."
"While concentration is the law of business success it must not be allowed to extend beyond the control of the government. Therefore less government in business does not mean no government regulation of enterprise. For the sake of the public, concentration of industry should be permitted under proper government regulation. This regulation must never be considered tantamount to either stranglehold or government operation. The ideal industrial state will be secured under the slogan properly administered—'Concentration and Control.'"

"Uncle Joe" Cannon, "the sage of Danville," who during his legislative career has seen all the great agencies of industry and commerce invented and developed, some with the aid of the government and some overcoming governmental persecution, gives the following homely advice out of the wisdom of his forty-five years in Congress: "We used to hobble a horse that had a weakness for jumping the fence to keep him in the pasture, but some of the bobbies that were invented not only prevented the horse from jumping but also from walking and feeding. We have been legislating hobbles for business."

(Continued on Third Page.)

Former Italian Premier Contends America Is Neglecting After-the-War Obligations

BY FRANCESCO NITTI.
Former Premier of Italy.

THERE is a tendency in America to take but little interest in European questions. This is due to a feeling of tiredness after four years of agitation which led to participation in the war and, what was worse, participation in peace. With all the respect due to the great American democracy, while we must admit that the United States was a decisive factor in the war and contributed strongly to the attainment of victory, they have been anything but a decisive factor in peace.

At the conference of Paris President Wilson's action had a preponderating value, but, without in the least doubting the loyalty of his intentions, it would be an untruth to affirm that his attitude contributed to the real peace of Europe.

The society of nations was a noble ideal, but it was badly conceived and has become the wretched expression of violence, the holy alliance of the victors. The conditions imposed on the vanquished are daily revealed to be to a large extent impossible of execution, or are such that their execution would injure the victors themselves, in their commerce and industry. Certain states which have arisen as the result of the treaties, and which are obliged, for military or political reasons, to hold down and oppress populations of other races and other origins, are every day becoming a greater element of disorder. After nearly three years since the conclusion of peace, Europe is in the same state of disorder as at the time the war ended, if she is not absolutely in a worse state. Never has there been such an underground fight as there is a present; never such a cornering of raw materials, and never such a development, of the spirit of mistrust.

It is easy to understand how impossible it was, after such an immense war, to return conditions to a state of equilibrium; but it is equally easy to see that the major causes of disturbance and ferment lie in the treaties, the greater responsibility for which rests on the United States of America.

President Wilson, on account of his exceptional position, took the part at Versailles more of an arbitrator than one of the parties in the struggle. If his word had been laid down on the side of reality and life, and if his advice had been really inspired for the resurrection of Europe, they would have had a decisive value. The head of a government, and much more the head of a state, have not to do the work of defining philosophic principles, but rather to work on the living reality of things. Before creating a society of nations, the nations themselves ought to have been built up and put in a condition to live.



WIDE WORLD PHOTO.

FRANCESCO NITTI.

The responsibility of America to history is very great. Entering the struggle as a decisive factor, America not only established certain principles in a precise form, principles which were to be the guiding rules of the victors, but she also, solemnly pledged herself to give sure guarantees to the vanquished. These pledges are above and beyond the persons of President Wilson and of the democratic party; they concern the entire American people.

Now, America, having in definite form contributed to victory, cannot stand aside disinterestedly now, even for internal reasons. Guarantees given to vanquished peoples are even more sacred than those given to a victor.

America must, therefore, settle not only her legal situation, her relations with the conquered and conquering states, but also and above all, her relations de facto.

It is very convenient not to recognize the society of nations, whose statute precedes all treaties. As long as it exists without all the peoples taking part in it and until the rules that regulate its action are less uncertain and more efficacious, it will be better that it should remain what

it is, a poor little academy of peace, an instrument of oppression in the hands of the victors, and a source of the treaties.

But the Atlantic ocean does not divide Europe and America; it unites them; there are common interests and necessities of life that stand above every political prejudice. Europe has a population which is more than double the population of the American continent, Canada and Argentina; it is not only the greatest production market, but it has also the greatest consumption.

During the past the commerce of America has been directed all over Europe, and it will continue to be directed in the future. England and Germany alone represent a consumption market which is of more importance to America than is South America.

For all people history is a series of alternate victories and defeats; just as no life is without color, so no country has been able to escape the painful trial of military disasters or of invasions. The older a people's history the more sorrowful pages there are in the book of its story.

There is nothing definite in the present situation of Europe; it is

great interests that are in contrast more than great passions. But there are also ferments of hatred and, still more, preoccupations for the future, which render the relations between the various peoples extremely difficult.

Nothing can do more to improve this situation than the attitude taken by the United States. Unbound by any obligations deriving from the war, free to choose their road for the future, they may make treaties which would be an example and a guide for all the other countries; forgetting the spirit of war, they may enter into friendly relations with all. In the enjoyment, as they are of an immense credit, and having a great market at their disposal, the greatest market for raw material, indeed, they may by their aid assist enormously in the restoration of peace, and may graduate or refuse their aid according to the requirements of a genuine international policy which shall be directed to the lofty aim of establishing the true society of nations.

The discussions on intervention or non-intervention in international law are purely theoretical. When the struggle is raging around us, not to intervene is equal to intervening in favor of the side which has the greatest possibilities of imposing its program. If America had not intervened, during the war, in the struggle between the central empires and the entente, it would in reality have contributed to decide the victory in favor of Germany, Austria-Hungary and Turkey, which in that moment represented the forces of reaction and violence.

Not to intervene in the present conflict in Europe signifies in reality to intervene in favor of all the errors which the international situation is determining.

To intervene does not mean direct political action, or, still less, military action; in the condition in which America finds itself at present, it merely means to direct its actions to one sole end, the reconstruction of Europe, which would bring within the realms of possibility that society of nations which up to the present has been manifested simply as a chimera, if not absolutely a deception.

It is a problem which American democracy will have to study, in the interests of civilization, but also in its own interests.

(Copyright, 1921.)

ARCHBISHOP IS NAMED.

Official announcement of the appointment of Bishop Michael J. Curley, of St. Augustine, Florida, as Archbishop of Baltimore, succeeding the late Cardinal Gibbons, was received yesterday by Catholic officials here. Press dispatches from Rome last month said the St. Augustine bishop had been chosen for the Baltimore post, but the official announcement was delayed because of certain formalities.

Puts Damp on Hopes of Debt Cancellation



F. O. WATTS.

President of the First National Bank of St. Louis and chairman of the National Council of the International Chamber of Commerce, who told European financiers that public sentiment in America would not consent to cancellation of foreign debts to this government.

"We used to hobble a horse that had a weakness for jumping the fence to keep him in the pasture, but some of the bobbies that were invented not only prevented the horse from jumping but also from walking and feeding. We have been legislating hobbles for business."